

Tampa Tribune
April 2, 2005

Cultivating Neighborly Trade

Congress will soon debate a free-trade agreement with five Central American countries and the Dominican Republic.

Its passage is no sure thing because a false perception that trade destroys jobs has some lawmakers leaning toward protectionism. If the measure fails, the United States will be turning its back on one of the most important lessons of the past 60 years: Trade fosters prosperity and peace.

World War II taught Europe the value of trade. The European Union turned former enemies into business partners that now have a stake in each others' success. The same lesson applies here.

Only 20 years ago, several Central American countries were war zones. Now, they have democracies and growing economies. They're good neighbors and getting better. Together the countries in the trade pact — Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic — would be the 13th largest export market for U.S. products.

Now, about one U.S. job in 10 depends on exports. And last year Florida alone sent about \$3.2 billion worth of exports to these six countries. More than half the nation's trade with Central America moves through Florida's seaports and airports.

Already most goods arrive from Central America duty-free, but many U.S. exports are taxed or otherwise restricted. The trade agreement would formalize the existing trend toward free trade and increase trade both ways.

American textile and sugar interests say they would be hurt, but the serious competition in textiles is coming from China. Helping Central America sell textiles here is the best way to help these countries stay free and preserve markets for U.S.-made yarn. Economic failure could spark rebellion there and force families to migrate north to find work.

Complex compromises in the trade deal have been made, such as a provision to prevent damage to U.S. sugar growers. Sugar imports would be limited to the equivalent of 1.5 teaspoons a week per person.

Many trade restrictions would phase out slowly. But still, some people would lose. In a few of the Central American countries, for example, much of the locally grown corn must be purchased at high prices before licenses are issued to import U.S. corn. Under CAFTA, corn growers there would be up against the big, mechanized U.S. farms, and the little farmers will lose.

They would qualify for help switching to crops suitable for their small plots, such as miniature vegetables, which have a big U.S. market. Eventually, almost everyone would benefit. Labor interests say the issue is people vs. profits, and urge the agreement be killed. The protectionists are wrong, because without higher profits there cannot be higher wages. What works in Europe will work on a smaller scale in the Americas, too, if Congress gives it a chance.